## Message Text

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TAGS: EEC, PFOR, GR

SUBJECT: GREECE-EC ACCESSION NEGOTIATIONS

REF: EC BRUSSELS 7518

- 1. SUMMARY: EC COMMISSION OFFICIALS INVOLVED IN PREPARATIONS FOR ACCESSION NEGOTIATIONS WITH GREECE BELIEVE THAT THE TIME-CONSUMING JOB OF COLLECTING DATA ON GREEK ECONOMY AND ANALYZING DISCREPANCIES BETWEEN COMMUNITY LAW AND RELEVANT GREEK LAW COULD DELAY COMMENCEMENT OF SUBSTANTIVE NEGOTIATIONS UNTIL EARLY 1977. GREEKS, HOWEVER, ARE KEEPING THE PRESSURE ON FOR EARLY AND RAPID NEGOTIATIONS. DURING HIS VISIT HERE LAST WEEK GREEK COORDINATION MINISTER PAPALIGOURAS APPARENTLY OBTAINED THE PROMISE OF AN EC COUNCIL-GREEK MINISTERIAL MEETING IN MID-OCTOBER TO LAY OUT A SPECIFIC NEGOTIATING SCHEDULE. END SUMMARY.
- 2. IN RECENT DISCUSSIONS WITH MISSION OFFICERS, INGER NIELSEN, WHO HEADS EC COMMISSION TEAM IN DG I STAFFING THE GREEK ACCESSION TALKS, AND CHARLES CAPORALE, DG I DIVISION CHIEF FOR SOUTHERN EIROPE, NOTED THAT WHILE GREEK GOVERNMENT IS INSISTING ON SPEEDY NEGOTIATIONS, CONFIDENTIAL

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THERE IS STILL A GREAT AMOUNT OF PREPARATORY WORK TO BE DONE

BEFORE THE TWO SIDES CAN BEGIN SERIOUS SUBSTANTIVE DISCUSSIONS. NIELSEN INDICATED THAT IN PUSHING FOR EARLY SUBSTANTIVE TALKS AT THE TIME OF THE CEREMONIAL OPENING OF ACCESSION NEGOTIATIONS ON JULY 27TH (REFTEL). THE GREEKS TRIED TO MINIMIZE THE IMPORTANCE OF DETAILED PREPARATIONS. HOWEVER, VISITS OF COMMISSION OFFICIALS TO GREECE DURING THE LATE SUMMER SUCCESSFULLY ALERTED THE GREEKS TO THE KIND OF DATA THE COMMUNITY WILL NEED ON THE GREEK ECONOMY BEFORE NEGOTIATIONS CAN PROCEED. NIELSEN NOTED THAT THE GOG AND COMMISSION HAVE NOW BEGUN ASSEMBLING THAT DATA. BUT SHE THOUGHT THIS COULD RUN TO THE END OF 1976. SHE ALSO INDICATED THAT THE INITIAL COMPARISON OF THE MANY THOUSANDS OF PAGES OF COMMUNITY LAW WITH APPLICABLE GREEK LAW AND REGULATIONS TO DETERMINE WHERE AND HOW TO RECONCILE DISCREPANCIES WOULD BE VERY TIME-CONSUMING. NIELSEN AND CAPORALE, LIKE THE GREEK DCM HERE. THINK THAT WHILE LENGTHY NEGOTIATIONS MAY PROVE NECESSARY TO SHAPE THE TRANSITION PERIOD DURING WHICH THE GREEK AGRICULTURAL AND INDUSTRIAL SECTORS WILL MOVE TOWARD FULL HARMONIZATION WITH THE EC, THE THORNIEST DISCUSSIONS WILL PROBABLY RELATE TO HARMONIZATION OF GREEK TAX POLICIES WITH THOSE OF THE EC. THEY NOTED THAT UNLIKE EC COUNTRIES. THE GREEK TAX SYSTEM IS CURRENTLY BASED LARGELY ON A VARIETY OF INDIRECT TAXES (GREECE DOES NOT, FOR EXAMPLE, HAVE A VALUE ADDED TAX).

- 3. IN A MORE GENERAL COMMENT, NIELSEN SPECULATED THAT ONE OF THE REASONS FOR THE GREEKS' INSISTENCE ON SPEED MAY BE THEIR DESIRE TO MINIMIZE ANY POSSIBLE LINKAGE BETWEEN GREEK ACCESSION AND THAT OF OTHER MEDITERRANEAN COUNTRIES. THE GREEKS MAY FEEL THAT THE EC WOULD DRIVE A HARDER AND SLOWER BARGAIN IF IT WERE DEALING WITH TWO ACCESSIONS AT THE SAME TIME RATHER THAN ONE. IN A PARALLEL OBSERVATION, NIELSEN PREDICTED THAT THE EC FOR ITS PART WILL MOVE VERY CAUTIOUSLY IN THE GREEK NEGOTIATIONS IN THE KNOWLEDGE THAT IT WILL BE SETTING IMPORTANT PRECEDENTS FOR OTHER MEDITERRANEAN APPLICANTS IN THE NEAR FUTURE.
- 4. ZEPOS, DCM AT THE GREEK MISSION, TOLD US SEPTEMBER 27 THAT THE GREEKS WERE VERY WELL SATISFIED WITH THE SEPTEMBER 23-25 VISIT HERE OF GREEK MINISTER FOR COORDINATION PAPALIGOURAS DURING WHICH HE MET WITH COMMISSION PRESIDENT ORTOLI AND CONFIDENTIAL

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COMMISSIONERS SOAMES, LARDINOIS AND HAFERKAMP. NOTING THAT HIS GOVERNMENT CONSIDERS THE EC MACHINERY TO BE PONDEROUS, ZEPOS FRANKLY ACKNOWLEDGED THAT THE GOG WILL KEEP STEADY PRESSURE ON THE COMMUNITY TO MOVE THE NEGOTIATIONS ALONG IN THE HOPE THAT NEGOTIATIONS CAN BE CONCLUDED IN 12 - 18 MONTHS. ACCORDING TO ZEPOS (WHICH WE HAVE NOT BEEN ABLE TO CONFIRM WITH COUNCIL OR COMMISSION SOURCES), PAPALOGOURAS OBTAINED A COMMITMENT FROM DUTCH FOREIGN MINISTRY STATE SECRETARY BRINKHORST TO

HOLD AN EC COUNCIL-GREECE MINISTERIAL MEETING IN LUXEMBOURG OCTOBER 18 WHEN THE EC FOREIGN MINISTERS WILL COME TOGETHER FOR ONE OF THEIR REGULARLY SCHEDULED COUNCIL SESSIONS. THE MEETING WILL REPORTEDLY NOT BE A SUBSTANTIVE SESSION, BUT WILL INSTEAD LAY OUT A WORK SCHEDULE AND PROCEDURE FOR FUTURE NEGOTIATIONS. ZEPOS SAID THE GREEKS WOULD LIKE TO SEE MINISTERIALLEVEL NEGOTIATIONS EVERY THREE MONTHS, WITH SESSIONS AT THE DEPUTY MINISTER LEVEL HELD APPROXIMATELY MONTHLY. HE SAID GOG IS PRESSING FOR THE COMMENCEMENT OF SUBSTANTIVE NEGOTIATIONS IN NOVEMBER AND HOPES FOR A SUBSTANTIVE MINISTERIAL SESSION BEFORE THE END OF THE YEAR. HE RECOGNIZED, HOWEVER, THAT COMMUNITY INSTITUTIONS MAY NOT BE PREPARED TO MOVE THAT FAST. HINTON

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